



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 1/31/2000

GAIN Report #SF0004

South Africa, Republic of

Grain and Feed

Grain and Feed Update

2000

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Report Highlights:

Favorable rains improved conditions for the 1999/2000 summer grain season and the 1999 corn crop is currently estimated at 8.5 million tons, up 20 percent from 1998. The increase is mainly due to a 10% expansion in the area planted on commercial farms. Some of the unharvested wheat crop was affected by heavy rains in recent weeks. However, the crop situation is unchanged from last month with 2000 wheat imports still estimated at about 600,000 tons.

Includes PSD changes: Yes

Includes Trade Matrix: No

Unscheduled Report

Pretoria [SF1], SF

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Executive Summary

Very good rains since the beginning of December 1999 have persisted to date, enhancing prospects for the 1999 corn crop that is currently maturing. Coupled with a 10% increase in the area planted on commercial farms and an increase in yield, a crop of about 8.5 million tons can be expected, consisting of 8 million tons in the commercial sector and 500,000 tons in the developing sector. This will be well in excess of domestic demand. Local futures prices already reflect the increased crop estimate with a big drop in prices after the start of the harvest in May 2000.

The rains have, however, damaged the quality of the unharvested portion of the wheat crop in the Eastern Free State. The result is that demand for high quality imports to blend with the local supplies remains strong and imports will likely reach 600,000 tons this year.

Corn

PSD Table						
Country:	South Africa, Republic of					
Commodity:	Corn					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		05/1998		05/1999		05/2000
Area Harvested	2956	2956	2905	2905	3000	3205
Beginning Stocks	2459	2459	807	807	47	247
Production	7544	7544	7110	7110	8000	8500
TOTAL Mkt. Yr. Imports	98	98	430	600	0	293
Oct-Sep Imports	100	100	400	510	0	150
Oct-Sep Import U.S.	0	7	0	255	0	0
TOTAL SUPPLY	10101	10101	8347	8517	8047	9040
TOTAL Mkt. Yr. Exports	1388	1388	500	570	200	600
Oct-Sep Exports	1500	1500	350	450	550	450
Feed Dom. Consumption	3666	3672	3600	3500	3650	3550
TOTAL Dom. Consumption	7906	7906	7800	7700	7847	7750
Ending Stocks	807	807	47	247	0	690
TOTAL DISTRIBUTION	10101	10101	8347	8517	8047	9040

Production

The new Crop Estimates Committee made a preliminary estimate of the area planted to summer crops on January 20, 2000.

The area planted to corn on commercial farms is 3.205 million hectares, 300,000 hectares or 10% more than in the previous season. The area planted to white corn is 1.998 million hectares (62%) and yellow corn 1.207 million hectares (38%), virtually unchanged from the previous seasons' percentages. The North West Province is the largest producer of white corn with 890,000 hectares, followed by the Free State, 735,000 hectares, and Mpumalanga, 250,000 hectares. The Free State is the largest producer of yellow corn, 450,000 hectares, followed by Mpumalanga 330,000 hectares and North West Province 300,000 hectares.

The increase in the area planted to corn was mainly due to a 45% (371,650 hectares) decrease in the area planted to sunflower which suffered from over production and low prices during the previous season. The following table contains the details:

CROP	Area planted, 1999 Hectare	Area planted, 1998 Hectare	Crop estimate, 1998 Metric tons
Commercial			
White corn	1 998 000	1 829 700	4 141 000
Yellow corn	1 207 000	1 075 000	2 574 500
Total	3 205 000	2 904 700	6 715 500
Developing agric.			
White corn	n..a.	429 490	262 600
Yellow corn	n..a.	157 080	131 500
Total	n..a	586 570	394 100
Total corn	3 205 000	3 491 270	7 109 600
Sorghum	126 700	98 900	155 950
Peanuts	66 375	94 550	98 250
Sunflower	456 350	828 000	1 109 000
Soybeans	96 400	130 500	174 800
Dry beans	71 500	64 800	76000

The Crop Estimates Committee has maintained the 7.1 million ton estimate for the 1998 crop, and we are also using the official crop estimate. We estimate the 1999 crop at 8.5 million tons taking the increase in the area planted on commercial farms into account as well as the very good rainfall to date. The favorable rainfall more than makes up for the late planting but constant wet conditions may lead to disease problems. At this stage a week of sunny weather will be welcome as sunlight hours have been restricted and temperatures generally low. The 1998 yield on commercial farms amounted to 2.13 metric tons per hectare, for the 6.716 million tons produced on 2.905 million hectares. The 1999 yield is forecast at 2.5 metric tons per hectare for the expected 8 million tons crop from 3.205 million hectares. The crop in the developing sector is expected to increase to about 500,000 tons this year after 394,000 tons were produced in the 1998 season. The total crop is thus expected to reach 8.5 million tons.

Consumption

An estimated white yellow PS&D for the current season follows:

'000 Metric tons	White corn	Yellow corn	Total corn
Beginning stocks 05/01/99	543	264	807
Production	4404	2706	7110
Imports	0	600	600
Total Supply	4947	3570	8517
Exports	520	50	570
Consumption	4200	3500	7700
Ending stocks 04/30/2000	227	20	247

Trade

Imports of yellow corn to the coastal areas could reach 600,000 tons this marketing year; The U.S. has already supplied 254,000 tons of the corn imports from January to October 1999. Prospects for further imports from the U.S. are favorable after the phytosanitary problems (Stewart wilt) that hampered sales earlier seem to have been resolved.

Wheat

PSD Table						
Country:	South Africa					
Commodity:	Wheat					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		11/1997		10/1998		10/1999
Area Harvested	1382	1382	748	748	718	718
Beginning Stocks	576	576	877	1005	348	719
Production	2450	2450	1531	1704	1581	1561
TOTAL Mkt. Yr. Imports	524	524	600	483	650	600
Jul-Jun Imports	663	663	650	432	500	500
Jul-Jun Import U.S.	133	133	100	77	250	250
TOTAL SUPPLY	3550	3550	3008	3192	2579	2880
TOTAL Mkt. Yr. Exports	72	72	50	54	50	50
Jul-Jun Exports	204	204	50	55	50	50
Feed Dom. Consumption	82	46	50	52	50	100
TOTAL Dom. Consumption	2601	2473	2610	2419	2450	2500
Ending Stocks	877	1005	348	719	79	330
TOTAL DISTRIBUTION	3550	3550	3008	3192	2579	2880

Production

The fifth official estimate of the 1999 wheat crop is 1.561 million tons but this probably does not reflect the damage the heavy rains have inflicted on the unharvested crop in the Eastern Free State. Persistent rains have hindered the harvest and the wheat is sprouting. This will have a detrimental effect on the quality of the crop, which means that more will go to the feed market while the demand for high quality imported wheat will increase. We still expect that about 600,000 tons will be imported during the year.